



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

UNIVERSAL DME, LLC

Respondent Name

TASB RISK MGMT FUND

MFDR Tracking Number

M4-15-0336-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

SEPTEMBER 22, 2014

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "On 03/20/14 we submitted our claims for payment to TABS W/C in the amount of \$519.47 via mail. We receive a denial from the carrier on 04/08/2014 for absence of precert/auth. We submitted a corrected claim for payment on 06/12/2014, a copy of screen print enclosed for your review. We received a partial payment of \$18.83. Texas Work Compensation claims are to be reimbursed 125% of the Medicare allowable...E0217 RR is supposed to be reimbursed at \$60.44 per unit X 125%."

Amount in Dispute: \$500.64

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The bill was initially received on 6/12/14 with a NU modifier for purchase. The bill was processed on 7/1/14 and denied for exceeding preauthorization because the cryo unit was preauthorized for a 7 day rental only and not for purchase. A reconsideration was received on 7/31/14 with a corrected modifier of RR for rental and processed on 7/31/14 for a payment of \$18.83. The provider submitted a preauthorization request for a 7 day rental of a cryo unit. Preauthorization was approved for a continuous cryotherapy unit on 1/29/14 for a seven day rental; the letter states medical bills will be adjudicated according to the medical fee guidelines. Medicare reimburses a max monthly rate of \$60.44 for E0217. Per 134.203 (d), HCPC codes are paid at above the Medicare Durable Medical Equipment (DME) fee schedule. The workers comp fee schedule allowable for the monthly rental is \$75.55. (\$60.44 X's 125%) In order to find the daily rate for the DME, we took \$75.55 and divided it by 28 days for the month of February; this gave a daily rate of \$2.69. Therefore we multiplied \$2.69 X's 7 days = \$18.83."

Response Submitted by: TASB.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 3, 2014	HCPCS Code E0217-RR Water Circulating Heat Pad With Pump Rental	\$500.64	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.

2. 28 Texas Administrative Code §134.600, effective July 1, 2012, requires preauthorization for specific treatments and services.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:
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 - 198-Payment denied/reduced for exceeded precertification/authorization.
 - Preauth for this unit with the date range 1-29-14 through 3-7-14 has been paid for date of service 2/11/14. EOMB# 2445687 in the amount of \$865.56 on 3/26/14, check # 5796170. Preauth was for a 7 day rental of the unit.
 - 07/31/14 – Allowing for 7 day rental of unit.
 - 7/31/14 – Rule 134.804 (a) Services reviewed for reconsideration.
 - Additional payment made of service adjustment amount may be zero.
 - W3-Additional payment made on appeal/reconsideration.

Issues

1. Does a preauthorization issue exist?
2. Is the requestor entitled to additional reimbursement?

Findings

1. According to the explanation of benefits, the respondent denied reimbursement for the disputed rental of water circulating heat pad with pump, code E0217-RR, based upon a lack of preauthorization.
 HCPCS code E0217 is defined as “Water circulating heat pad with pump.” The requestor appended modifier “RR- Rental (use the RR modifier when DME is to be rented)” to code E0217.
 28 Texas Administrative Code §134.600(p)(9) states “all durable medical equipment (DME) in excess of \$500 billed charges per item (either purchase or expected cumulative rental).”
 On January 29, 2014, the respondent gave preauthorization approval for “durable medical equipment rental for seven days of continuous cryotherapy unit and purchase of pad for the left for the left shoulder with dates of service 1-29-14 through 3-7-14 from Universal DME.” Therefore, a preauthorization issue does not exist in this dispute.
2. The requestor contends that payment is due because “we have submitted appropriate proof of timely filing.”
 A review of the submitted medical binds that the requestor billed code E0217-RR at \$519.47 for one unit. The respondent paid \$18.83 based upon the formula “daily rate for the DME, we took \$75.55 and divided it by 28 days for the month of February; this gave a daily rate of \$2.69. Therefore we multiplied \$2.69 X’s 7 days = \$18.83.”
 To determine if additional reimbursement is due the Division refers to 28 Texas Administrative Code §134.203.
 28 Texas Administrative Code §134.203(b)(1), states “For coding, billing, reporting, and reimbursement of professional medical services, Texas workers’ compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules.”
 Per 28 Texas Administrative Code §134.203(d) “The MAR for Healthcare Common Procedure Coding System (HCPCS) Level II codes A, E, J, K, and L shall be determined as follows: (1) 125 percent of the fee listed for the code in the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee schedule; (2) if the code has no published Medicare rate, 125 percent of the published Texas Medicaid fee schedule, durable medical equipment (DME)/medical supplies, for HCPCS; or (3) if neither paragraph (1) nor (2) of this subsection apply, then as calculated according to subsection (f) of this section.”
 A review of the Medicare 2014 DMEPOS fee schedule finds that HCPCS code E0217-RR has a fee schedule of \$60.44 per month. Therefore, per 28 Texas Administrative Code §134.203(d) to calculate the MAR \$60.44 X 125% = \$75.55 per month. The requestor obtained preauthorization for seven days; therefore, \$75.55 divided by the number of days in February of 28 = \$2.69 X 7 days = \$18.83. The respondent paid \$18.83. As a result, additional reimbursement is not recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

_____	_____	05/06/2015
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012**.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.